

Charter of Operations of the Risk Management Unit

This Charter of Operations includes the following chapters:

- I. Mission
- II. Reporting Line
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I. Mission

The mission of the Risk Management Unit (RMU) is the substantial contribution in the development of a modern operational framework at all organisational levels, for the acknowledgement, assessment and management of the risks faced by the Company.

The RMU ensures that the risks undertaken by the Company's units are consistent with the disposition for taking risks and with the tolerance limits which the senior administration shall specify and form.

The RMU provides instruction and supporting services to the Company for the guarantee of the sufficient and effective management of risks.

II. Reporting Line

The RMU has an operational reporting line in the Board of Directors (hereinafter referred to as "BoD"), whereas administratively shall account to the Chief Executive Officer.

III. Operations' Framework

According to the requirements of the Decision No.1/891/30.9.2020 of the HCMC, the RMU has adopted appropriate and effective policies, procedures and tools (such as for example risk registers) for the determination, analysis, control, management and monitoring of any kind of risk inherent in the Company's operation. More specifically, the RMU applies risk acknowledgement, awareness and assessment procedures (risk assessment), risk management and risk response procedures and risk progress monitoring procedures (risk monitoring).

The RMU shall apply the methodology "Enterprise Risk Management" (ERM), which allows the Management to detect, assess and manage risks. The methodology is based on the COSO (Committee of Sponsoring Organizations of the Treadway Commission) framework ERM, which provides directions for the incorporation method of the ERM minutes and captures their implementation principles.

IV. Role and duties

The duties of the RMU are specified by the BoD, which also has the ultimate supervisory responsibility of the Company's risk management framework.

In the duties of the RMU, the following are included:

Risk Management Framework

1. Formation of the risk management strategy
2. Development of a single risk assessment system based on the targets and the level of acceptance for the taking of business risks by the senior management.

3. Determination and allocation of the disposition for the taking of risks per risk category and determination of the relevant qualitative and quantitative indicators.
4. Development and updating of risk management policies and procedures.
5. Contribution in the formation of the Company's culture against the risk.
6. Guarantee that the duties in respect of the risk management are clearly specified.
7. Guarantee that the duties of the BoD and the Committees of the BoD are clearly specified in relation to the risk supervision of the Company.
8. Appropriate training of the Company's personnel in basic principles of risk management and in the cultivation of the relevant culture at all levels of the organisation chart.
9. Determination and provision of know-how in the development of Indicators of Timely Acknowledgement of Risks (KRIs - Key Risk Indicators).

Risk Management

1. Contribution in the categorisation of risks with the purpose of their more effective monitoring.
2. Drafting, preparation and publishing of the risk management action plan.
3. Maintenance of an updated risk register.
4. Monitoring of detected risks and changes in respect of the exposition to them.
5. Contribution in the assessment of the inherent risks, that is of possibility of appearance and impact of each risk included in the risk register.
6. Contribution and provision of independent consulting services in relation to the assessment of sufficiency and effectiveness of controls adopted and implemented by the Company for the purpose of responding to and facing the risks.
7. Assessment of the residual risk.
8. Development of plans of response to the residual risk (acceptance, transfer, support and enhancement of the existing control points for further elimination/ mitigation).
9. Provision of independent consulting services in relation to risk management issues, control and reporting systems.

Reports

1. Monitoring of the progress of risk response plans.
2. Drafting, preparation and submission of separate ordinary reports regarding the needs for information to various recipients inside and outside the Company, as regards the risks taken, and the actions implemented for their management.
3. Information provided to the BoD in relation to significant risks and highlighting of points requiring the taking of measures.

V. Reports of the Risk Management Unit

The obligations of report drafting by the RMU are the following:

Internal Reports

- Corporate Risk Assessment Reports to the BoD

External Reports

In case these are required.

VI. Evaluation of the Risk Management Unit

On a yearly basis, the annual Account of Results for the work of the RMU is submitted to the Chief Executive Officer by the Head of the RMU.

Every three (3) years an external independent evaluation in respect of the compulsory external evaluation of the Internal Control System is performed.